



# **Public Participation Hearing Pilot Report**

***Administrative Law Judge Division and News and Outreach Office***



**W. Anthony Colbert, Assistant Chief Administrative Law Judge**

**February 20, 2019**





## Presentation Summary

- I. Background
- II. Discussion and Analysis of Public Participation Hearing(PPH) Pilot
- III. Beyond the PPH
- IV. Report Recommendations & Conclusion





## Background

### A. What is a Public Participation Hearing (PPH)?

1. A formally noticed hearing for the California Public Utilities Commission (CPUC) to hear from the public.
2. No statutory requirement for CPUC to hold a PPH.
3. In a GRC proceeding, it is an opportunity for the utility's customers to provide their views, identify issues in person and directly to the presiding ALJ and, when available, the assigned Commissioner.
4. A court reporter is present to produce a transcript of the PPH which becomes part of the formal record.

### B. When and where are PPHs held?

1. Throughout the utilities' service territories
2. Usually in the evenings or weekend dates





## Background (Continued)

- C. In 2018, Commissioners and Division Directors worked together to pilot a new approach to Public Participation Hearings (PPH) in energy and water General Rate Cases (GRC)
- D. 37 PPHs in the pilot incorporated new features designed to better the educate and increase meaningful participation of the public
- E. 60 staff from throughout the CPUC participated
- F. Pilot based on survey of outreach programs of similar agencies pursuant to Senate Bill 512 (Stats. 2016, ch. 808)
- G. Commissioner Rechtschaffen and Commissioner Guzman-Aceves took the lead in developing an enhanced PPH outreach and education pilot program
- H. Pilot launched in the summer of 2018 and included Phase 1, energy and water General Rate Cases (GRCs)





## Proceedings Covered Under the Pilot PPH Program

Six Utilities which had filed General Rate Cases (GRCs) were chosen for the pilot

Utility	Application	# of PPHs	Dates of PPHs	Total Attendance
Apple Valley Ranchos Water Corp	A.18-01-002	2	October 25, 2018	108
Pacific Gas & Electric Company	A.17-09-006 and A.17-11-009	14	June 26-July 17, 2018	152
Park Water Company	A.18-01-003	2	October 18, 2018	51
San Diego Gas & Electric Company	A.17-10-007	6	June 13-28, 2018	104
San Jose Water Company	A.18-01-004	1	May 30, 2018	110
Southern California Gas Company	A.17-10-008	12	May 29-June 21, 2018	108





# Discussion and Analysis of Public Participation Hearing (PPH) Pilot

## A. Administrative Law Judge's Role

- I. Sets the date, time location of each PPH
- II. Directs the utility to prepare a bill notice informing customers of the PPH and to publish approved notice in newspapers of general circulation in the service area.
- III. Presides at the PPH and calls each public speaker

## B. News and Outreach Office Presentation

- I. One hour before PPH and NOO held an informal education session consisting of informational tables.
- II. NOO did a short presentation of the overview of the Commission and its processes including:
  1. How to make comments
  2. How to subscribe to proceeding documents
  3. How to file a consumer complaint
  4. How to intervene in a case, etc.

- ## C. During the PPH, a CPUC staff of the Water or Energy Division provided a 5-10 minute summary of the application and distributed Fact Sheets summarizing the application.







# Example of Customer Bill Insert

The Office of Ratepayer Advocates (ORA) is reviewing this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, email [ora@cpuc.ca.gov](mailto:ora@cpuc.ca.gov) or visit ORA's website at <http://ora.ca.gov/default.aspx>.

## STAY INFORMED

The CPUC offers a free Subscription Service which is available on the CPUC website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov), which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you would like to submit written comments, or if you have questions about the CPUC process, you can contact the CPUC's Public Advisor's Office at the address noted below. When writing, please reference proceeding SDG&E GRC No. A.17-10-007. All written correspondence and emails are provided to the Commissioners and the assigned Administrative Law Judge for this proceeding to review.

Write: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102

Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

Phone: 1-866-849-8390



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## Para más detalles llame al 1-800-311-7343 NOTICE OF PUBLIC PARTICIPATION HEARINGS REGARDING SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR THE 2019 GENERAL RATE CASE APPLICATION NO. A.17-10-007

The California Public Utilities Commission (CPUC) would like to hear your comments about San Diego Gas & Electric Company's (SDG&E) request to increase your rates for the 2019-2022 General Rate Case (GRC). To do so, the CPUC invites you to attend a CPUC Public Participation Hearing (PPH) where you may comment or simply listen to what others in your community are saying. A CPUC Administrative Law Judge (Judge) will preside over the hearing. The CPUC's Commissioners may also attend. The CPUC has also asked SDG&E to provide customer service staff outside the hearing room for you to ask them questions about your bills. There may also be an Information Session an hour prior to the PPH at which SDG&E and other groups participating in the GRC proceeding (these groups are called "parties" to the proceeding) host tables to provide you with information on the proceeding. See [www.cpuc.ca.gov/pph](http://www.cpuc.ca.gov/pph) to find out if the PPH you are interested in attending will have an Information Session.

Hearing locations are wheelchair accessible. If you need other arrangements, such as language interpretation, please contact the CPUC Public Advisor's Office at least five days before the hearing you are attending. The Public Advisor's Office contact information is noted below. The dates, times, and locations of the PPHs follow:

June 13, 2018 2:00 p.m. and 7:00 p.m.	<b>EL CAJON</b> El Cajon City Hall City Council Chambers 200 Civic Center Way El Cajon, CA 92020
June 26, 2018 2:00 p.m. and 7:00 p.m.	<b>ESCONDIDO</b> California Center for the Arts Salon 3 340 N. Escondido Blvd. Escondido, CA 92025

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(Continued inside)

June 28, 2018 2:00 p.m. and 7:00 p.m.	<b>CHULA VISTA</b> Chula Vista City Hall Council Chambers 276 Fourth Ave. Chula Vista, CA 91910
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## SDG&E'S RATE INCREASE REQUEST

On October 6, 2017, SDG&E filed an application with the CPUC requesting to increase revenues for its 2019-2022 GRC. SDG&E requested to increase revenue by \$218 million, to \$2.199 billion in 2019. Based on all the information presented in this proceeding, the CPUC will determine the rates that SDG&E will collect from its consumers to cover its operating and maintenance costs for 2019. As part of this proceeding, the CPUC will also decide whether to approve SDG&E's proposal to increase rates an additional 7.2 percent in 2020, 5.2 percent in 2021, and an additional 5 percent in 2022.

Every three years, SDG&E is required to file a GRC with the CPUC. GRCs determine the total amount of money a utility is allowed to collect through rates in a given year. How the increase is assigned to customer groups will be determined in separate proceedings. This particular application does not include the cost to purchase natural gas and electricity for SDG&E customers. Those costs are evaluated and authorized in a separate proceeding.

SDG&E's primary reasons for asking for the rate increases are:

- To invest in its gas and electric systems to enhance safety and reliability, and to manage risks that could impact their employees, customers, and/or system;
- To invest in the needs of its approximately 3.5 million customers by, among other things, empowering customers with information and tools to better manage their gas and electricity use;

- The application was revised by SDG&E on December 20, 2017, and again on April 6, 2018 to incorporate the Tax Cuts and Jobs Act of 2017 (TCJA).
- 2020-2022 increases were also adjusted in the April 6, 2018 testimony submission.
- SDG&E is proposing a return to the four-year cycle in this application due to administrative cost.

- To invest in its gas and electricity systems and technologies that advance clean energy for customers and the environment;
- To fund support services and employee training to keep SDG&E operating and to provide SDG&E's customers with safe, reliable and responsive customer service; and
- To meet regulatory and compliance requirements driven by system safety and reliability and environmental compliance.

## OBTAINING ADDITIONAL INFORMATION

For more information about SDG&E's GRC application filing, you may write to Charles Manzik, Regulatory Affairs Department, San Diego Gas & Electric Company, 8330 Century Park Ct., San Diego, CA 92123-1447. You may also view a copy of the application on SDG&E's website: <https://www.sdge.com/regulatory-filing/22261/sdge-2019-general-rate-case>

Copies of this insert will be available for viewing and printing on the SDG&E website: <https://www.sdge.com/regulatory-notice>.

The application may also be reviewed in person at the CPUC's Central Files Office by appointment. For more information, contact [ajcentralfilesid@cpuc.ca.gov](mailto:ajcentralfilesid@cpuc.ca.gov) or 1-415-703-2045.

## CPUC PROCESS

This application has been assigned to an Administrative Law Judge who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties can participate. After considering all proposals and all evidence presented during the formal hearing process, the Administrative Law Judge assigned to this proceeding will issue a proposed decision that may adopt SDG&E's proposal, modify it, or deny it. Any CPUC Commissioner may propose an alternate decision. The proposed decision, and any alternate decision, will be discussed and voted upon at a scheduled public CPUC Voting Meeting.

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## FACT SHEET

### Liberty Utilities (Park Water Corp.-A.18-01-003) General Rate Case

July 2019

#### Requested Utility Revenue Increases:

**Total increase, \$4.82 million over the three-year rate case cycle, results in a \$18.48 monthly increase to the average customer bill by the year 2021**

- 2019: \$1.11 million (or 3.21%) increase
- 2020: \$1.77 million (or 4.98%) increase
- 2021: \$1.94 million (or 5.24%) increase

A typical Liberty Park Water residential customer with a 5/8" meter using 17.62 Ccf (one Ccf = 748 gallons) every two months would see a bi-monthly bill increase from \$147.80 at present rates to \$152.94 (3.48%) in 2019; to \$160.16 (4.72%) in 2020; and to \$ 166.28 (3.82%) in 2021.

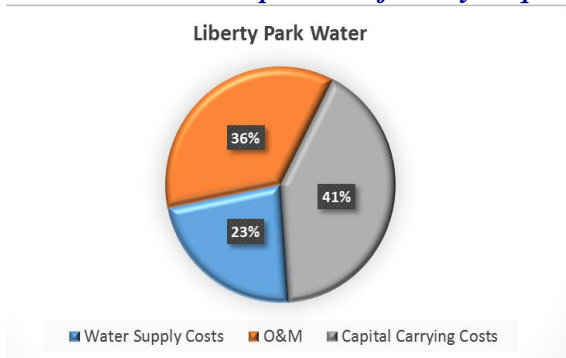
The bill impact does not include temporary existing or proposed credits and surcharges.

#### Factors Cited by Liberty Utilities for Requested Rate Increase:

##### • Capital improvements requested by Liberty Utilities:

- \$4,446,600 for storage tank and pump station for 2019,
- 1,200,000 for new well, for year 2019,
- \$1,248,900 Advance Meter Infrastructure (AMI) and small meter replacement for 2019,
- \$1,244,200 for AMI for year 2019,
- \$1,292,700 for AMI for year 2020,
- \$1,000,000 for water rights for year 2020, and
- \$4,180,600 Water Main Replacements for year 2021

#### Cost Components of Utility Requested Revenue: \$35.7 Million



- Water Supply Costs include:  
Purchased Water, Pump Taxes,  
Purchased Power, Chemicals, Other.
- Capital Carrying Costs include:  
Depreciation, Income Taxes, Property  
Taxes, Return on Rate Base.
- Operation & Maintenance,  
Administrative & General Costs  
include: Payroll, Pension & Benefits,  
Materials, Services.

Example of  
CPUC  
Industry  
Division's  
Fact Sheet







## Discussion and Analysis of Pilot (continued)

D. Public comment and questions portion of the PPH followed the NOO and Staff presentations, then surveys were available for the participants. 35 surveys were returned

### E. Attendance at PPH

Attendance at the energy GRC PPHs ranged from no public attendees to 34 attendees, with the median number being 13. Public speakers at the PPHs ranged from zero to 22, with the median number being two. The low turnout was not unusual.

### F. Questionnaire consisted of four questions:

- What parts of the Pilot program do you think worked well and why?
- What parts of the Pilot program did not work well and why?
- What refinements/changes would you recommend and why?
- Do you have any suggestions on ways to increase attendance at PPHs?





## Reasons Cited Regarding Low Turnout

- Customers stated they did not receive any notice of the hearing (they attended, nonetheless, so it is surmised that they would have preferred another form of contact);
- Bill inserts are a major way of notifying the public of a PPH and many customers do not read the inserts;
- Hearing notice for electronically billed customers is hard for the customer to find;
- Need to use plain language in the bill inserts and better entice customers to attend by telling them what the proceeding means to them;
- The public may not be interested in the proceeding;
- The public may be aware of the PPH but might not be interested in attending;
- The public does not feel they are being heard;
- Formal hearings intimidate people; and
- “Voices in the community” (churches, community groups, local officials) should deliver the notice of the PPH.





## Beyond the PPH

PPHs have a specific and necessary role in formal proceedings, however a formal PPH may not always be the best forum for engaging with, educating and increasing public participation. Rather than altering the structure of PPHs to accomplish these goals, there are a myriad of other vehicles for increased public engagement that should be considered such as:

### I. Workshops

- a. Run by CPUC Industry Division Staff

### II. Community Meetings/Community Outreach

- a. Roundtable or
- b. Small discussion groups

### III. Alternative forms of public engagement

- a. Webpages on proceedings/hot topics
- b. Telephonic/video streaming access
- c. Online public comment





## Summary of Recommendations (1-6)

1. Kick Off Meeting should include NOO, assigned ALJ, assigned Commissioner and industry division analyst and be held within two weeks of proceeding assignment.
2. NOO should create a toolkit documenting alternative types of public meetings and discuss alternatives at Kick Off Meeting, keeping in mind needs of specific case.
3. ALJ Division and NOO should set up internal CPUC working group to assess the value of PPH input in different types of proceedings and in making future recommendations.
4. Format of customer bill inserts for rate cases should be redesigned to ensure that they are clear to improve customer awareness of PPHs. The PPH notice should automatically appear when a bill is viewed by electronic billing customers.
5. Schedule PPHs towards the beginning of the proceeding in order to inform the community early about the proceeding and how to participate.
6. The assigned Commissioner and ALJ should closely coordinate early in the proceeding with NOO and its outreach team in order to engage with Community Leaders and Community-based organizations (CBOs) in selecting dates, times and venues close to public transit for PPHs.





## Recommendations (7-11)

7. The ALJ PPH Ruling noticing the PPHs should include when feasible, (1) that the customer bill insert be mailed by the utility to the customer(s) 10-15 days before the first scheduled PPH and (2) the utility provide NOO and assigned ALJ a letter verifying compliance not later that 5 days prior to first PPH. In consultation with the assigned ALJ and Commissioner the NOO may take additional steps such as issuing a media advisory and using social media or direct utility to perform outreach.
8. The CPUC should continue to use the Industry Division's Fact Sheets, broadly disseminate them in the Communities prior to PPH and post them on CPUC website/social media.
9. At start of PPH, there should be short presentation on case and timeline by applicant, if and when appropriate, and a brief presentation by other parties.
10. NOO will provide information on how to sign up to receive proposed and final decisions through CPUC's subscription service.
11. When Docket Card online system for proceeding comments, transcripts, and testimony becomes operational, include that information in hearing notices of PPHs, as well as outreach materials that promote subscription service, online comment portal, links to docket card, twitter feed as available.







## Recommendations (12-15)

12. Because PPHs have specific procedural purpose, when appropriate, consider utilizing other public forums, i.e. workshops, community meetings and virtual meetings for outreach purposes. NOO will consult with assigned Commissioner and ALJ on this.
13. Increase web-based access to PPHs and other public forums. NOO will lead cross-divisional team to assess needs and capabilities.
14. Consider a short video summarizing an application prepared by industry division under the direction of the NOO and in consultation with assigned ALJ that can be posted on web/or played at PPH.
15. The CPUC Division leading any public forum (either in-person or virtual) should use surveys or similar attendee evaluation methods to continuously improve outreach and engagement efforts. NOO will continue to provide surveys at all PPHs.





## Conclusion

We recommend that the CPUC apply the recommendations of this report to new energy and water GRC PPHs. California Water Service and Great Oaks Water Company filed their GRCs on July 2, 2018, and San Gabriel Valley Water Company is scheduled to file its GRC on January 1, 2019 and California American Water Company on July 1, 2019. For energy GRCs, PG&E is scheduled to file on January 1, 2019 and Southern California Edison on September 1, 2019. Finally while this report addresses energy and water GRC PPHs, the lessons learned can also be applied to other proceedings that the assigned Commissioner and Administrative Law Judge determines would benefit from PPHs.





# Thank You!

**A copy of the pilot report is available upon request**

**Special thanks to the following:**

**Administrative Law Judge Division:**

Christine Walwyn, Administrative Law Judge

Jeanne McKinney, Assistant Chief Administrative Law Judge

W. Anthony Colbert, Assistant Chief Administrative Law Judge

Annalissa A. Herbert, Process Analyst

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